11 January 1971

NOTE TO: George Carver

SUBJECT: Comments on the South Vietnamese Government's Political and Administrative Performance

1. An underlying assumption of the paper -- and of much of US policy today toward South Vietnam -- seems to be that the purely military threat to the GVN will continue to diminish and that the problems in South Vietnam will increasingly be primarily of a political nature. Whether or not these assumptions prove correct will depend, in part at least, on the continued energy and effectiveness of the ARVN and the RF/PF in inflicting losses on Communist military forces, keeping main force units holed up in the hills or bogged down in Cambodia and Laos, and suppressing, dispersing, and wearing down local Communist units. ARVN and RF/PF performance will depend in turn on a number offactors including the amount of logistic and combat support they receive from US units as US ground forces withdraw from a direct combat role. One very real danger is that our disengagement will snowball and that the US will fail to provide the helicopters, artillery, and many other items of equipment which the ARVN and RF/PF need or expect in the process of assuming full responsibilities. Approved For Release 2004/09/23 : CIA-RDP80R01720R001100050024-5

- 2. There is not much point of worrying about improved administration unless we first give the ARVN and RF/PF what they need to hold the still potent communist military threat at bay. I have already seen how the US -- and the US military services -- react when we are phasing out after a war. After World War II we bugged out of Europe and Korea, taking most of our equipment home and leaving behind friendly forces with little capacity for self-defense. We did it again in Korea after the Korean War. We are already beginning to do the same thing in South Vietnam.
- 3. All the above does not mean that some demobilization will not be possible in SVN over the next few years or that the ARVN could not supply some trained personnel to the National Police or that programs to improve administration at local and national level should not be pushed; but lets not kid ourselves into the belief that the military threat is dying and that the ARVN and RF/PF will continue effective without a ready supply of costly equipment, sophisticated logistic support, and some US combat support.

Para. 6 -- Political Parties -- wouldn't spend to much time on this -- it is a long term effort.

1C. Turnover province and district chief positions to civilians? Why -- what practical (not theoretical) end is served?

Phung Hoang -- Effective containment of military threat is a pre-condition to progress against VCI. Territorial security is still important; one should not say that Phung Hoang is Number One -- it deserves high priority and needs to be pushed, but not at expense of Territorial Security -- these are interdependent.

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OER Comments on "The South Vietnamese Governments Political and Administrative Performance"

- 1. Without specifying the position they should occupy in the paper there are two action areas in which positive and constructive activity by the GVN would go for in attracting the allegiance of the average citizen and the support of elite organizations. These are as follows:
  - a) The GVN has for some months been considering revisions of the countrys investment laws. Little progress has been noted. But now as the war winds down a number of foreign firms have been making inquiries about investing in South Vietnam. A revamping of the investment laws would go far in creating the type of climate for foreign investments which South Vietnam so badly needs.
  - b) As US forces continue to withdraw a serious unemployment situation -- already noticed in Danang -- will develop. The GVN could show greater recognition of the unemployment problem -- and manifest government concern for its people -- by establishing a government placement agency to match skills and jobs available on a country-wide basis.
- 2. Given the many uncertainties about the size of the VCI why not delete the 63,000 figure on Section IV, page 2. It is not necessary to the argument.
- 3. Many of the recommendations to improve Phung Hoang are good. They do seem, however, to be creating one more bureaucracy. The recommendations might consider capitalizing -- VC style -- on in-place local organizations and special interest groups such as farmers, students, Buddhists. It should also be remembered that neutralizing the military forces -- local forces and guerrillas -- will go further than psyops or due process of law in cutting down the infrastructure.